

**ANALYSIS OF FACTORS AFFECTING THE SUCCESS IN APPLYING
ACCRUAL-BASES GOVERNMENT ACCOUNTING STANDARD
WITH REGIONAL MANAGEMENT INFORMATION SYSTEM
AS A MODERATING VARIABLE IN MEDAN
MUNICIPAL GOVERNMENT**

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ABSTRACT: The objective of the research was to find out 1) the influence of Human Resources, Organizational Commitment, Communication, and Accrual-Based Manual on the Success in Applying Accrual-Based SAP (Government Accounting Standard) in Medan Municipal Government and 2) Regional Management Information System in moderating the correlation of Human Resources, Organizational Commitment, Communication, and Accrual-Based Manual with the Success in Applying Accrual-Based SAP in Medan Municipal Government. The research used causality method. The population was 57 SKPD (Regional Work Units) of Medan Municipal Government, and all of them were used as the samples (census sampling). Primary data were gathered by using survey method and distributing questionnaires to the respondents of each SKPD of Medan Municipal Government and analyzed by using Bayes method and interaction approach for moderating variable. The result of the research showed that 1) Human Resources, Organizational Commitment, Communication, and Accrual-Based Manual had positive and significant influence on the Success in Applying Accrual-Based SAP in Medan Municipal Government, and 2) Regional Management Information System could moderate the correlation of Organizational Commitment and Accrual-Based Manual, but it could not moderate the correlation of Human Resources and Communication with Applying Accrual-Based SAP in Medan Municipal Government.

Keywords: Human Resources, Organizational Commitment, Communication, Accrual-Based Manual, Regional Management Information System, Success in Applying Accrual-Based SAP (Government Accounting Standard).

I. PRELIMINARY

The management of state finance continues to be done by the government in a more transparent and sustainable manner. This is stated in Article 3 paragraph (1) of Law no. 17 of 2003 on state finances, which requires state finances to be managed in an orderly, law-abiding, efficient, effective, economical, transparent and accountable manner with due regard to justice and obedience can be realized. So issued Government Regulation (PP) no. 24 of 2005 on Accounting Standards Governance based on cash and replaced with PP. 71 Year 2010 states that the government implements Accounting Standards Government (SAP) based on accruals. According

to Cohen et al. (2007) in Usman et al (2014) such changes are necessary because cash-based accounting systems are deemed incomplete and inaccurate in presenting financial statements So that accrual-based SAP is needed for more accurate financial statements, and transparency but in practice there are still some obstacles. According Simanjuntak (2010) one of the factors that affect the successful application of accrual-based SAP is a competent and reliable human resources in the field of accounting.

Another factor is the commitment of agencies, in this case the authorities in decision-making is the leadership of the organization itself. So that required continuous communication from each related agency, another obstacle is the understanding of manual-based accruals that strongly support the quality of financial statements because employees who make financial statements should understand all journalism transactions. The next factor is the supporting means of information technology in the form of hardware and software in the form of SIMDA application (Regional Management Information System) related to the need in the application of accrual-based SAP.

In the previous research, Ardiansyah (2013) succeeded to find evidence of the influence of variable quality of human resources and communication but did not influence the organizational commitment variable to the readiness of SAP implementation based on accrual but this research can not find evidence of organizational commitment variable. While in research of Putra and Ariyanto (2015) succeed to find evidence of influence of human resource quality, communication, organizational commitment, and leadership style have positive effect to readiness of SAP implementation based on accrual.

In 2016, BPK audits the Local Government Financial Report (LKPD). The results indicate problems related to personnel expenditure, goods and services expenditure, local taxes receivables, fixed assets, accumulated depreciation and revenues and expenses in operational reports (Wahyuni, 2016). This is evident from the results of BPK RI's audit of providing an opinion with Exception (WDP) on Local Government Financial Report (LKPD) Medan City FY 2015. Previously BPK RI gave unqualified opinion with explanatory paragraph (WTP-DPP) to LKPD Kota Medan TA 2014. This is because there are still deficiencies in the implementation of financial management that needs to be followed up. Based on the above explanation, researchers are motivated to analyze Factors Affecting the Successful Implementation of Accrual Based Government Accounting Standards with Regional Management Information System as a Moderating variable in Medan City Government.

II. THE LITERATURE AND DEVELOPMENT OF HYPOTHESES

Teori New Public Management (NPM)

New Public Management Theory (NPM) is used to describe public sector reform. According to Bovaird and Loffer (2013) in Damayanti (2013) New Public Management is a downsizing movement of the public sector and makes it more comparative and tries to make public administration more responsive to citizen needs by offering economic measurements, efficiency and effectiveness (value for money) ,

choice flexibility, and transparency. From the description of the concept of accrual accounting is a derivative concept of New Public Management because accrual accounting is a form of private sector management system adopted into the public sector as a performance measurement tool. This is in accordance with the government by issuing several Laws and Government Regulations to regulate state finances that are accrual-based. So that government financial reports can be used globally and to measure government performance.

Implementation of Accrual Based Accounting Standards (PSAP)

Accrual-based PSAP is presented beginning with the government accounting conceptual framework of Government Regulation Number 71 Year 2010 article 1 clause (8). In accrual basis of PSAP, financial statements are grouped into two groups of reports: budget execution reports that still use cash basis and financial group reports that already use the accrual basis. According Mulyana (2009) the implementation of accrual basis can be done top-down or bottom-up. When applied top-down, usually the accrual basis implementation is mandatory for all entities within a definite and uniform timeframe. But if implemented in a bottom-up, pilot project should be done first on certain entities, to ensure that the accrual basis can be implemented properly then the implementation of accrual basis is done gradually in the span of 4 years-6 years, this application first applied to some entities certain accounting such as the Central Government that is ready in the process of accounting, as a pilot project. If the pilot project is successful, then it can be socialized to other government agencies to implement accrual-based SAP in accordance with the deadline set by the legislation.

Human Resources

Human resources are essential to running an organization. Human resources can be considered as a wheel drive to run the organization's activities in an effort to realize the goals of the organization. According to Nawawi (2001) in the State (2015) There are three things human resources, namely: Human resources are people who work in an organization, functioning as capital assets and non-material, can realize the real potential in realizing the existence of the organization , and as an organizational driver. It can be concluded that human resources are implementing policies and actors of change, so the quality of human resources should always be improved.

Organizational Commitment

According to Luthans (2006) Organizational commitment is often interpreted as a strong desire to remain as a member of a particular organization, the desire to strive according to the wishes of the organization, certain beliefs, and acceptance of organizational values and goals. It can be concluded that if the worker feels tied to the existing organizational values then he / she will feel happy in working, so have responsibility and awareness in running the organization and motivated to report all activities by carrying out voluntary public accountability including its financial accountability and its performance can increase. This greatly affects the successful implementation of SAP based accruals well.

Communication

According to Robbins (2007), there are several forms of communication in the process of formal structure communication, namely: (1) vertical communication, communication flowing up and down, (2) horizontal communication, communication flowing between colleagues from the same organizational level. and (3) Inter-organizational communication. It can be concluded that communication is one of the success factors of the accrual-based SAP application because of the various thought forms of personal and behavioral change that must be unified in a single purpose.

Accrual Based Manual

With the issuance of Government Regulation no. 71 Year 2010, the local government should adjust the accounting basis applied in its accounting system from the cash basis to accrual to accrual basis. Changes in the accounting basis are also followed by changes in the component of financial statements that must be issued by government agencies. Accounting cycles include transactions, recording, classification, and preparation of financial statements in which to record transactions are used journals. Journalism is a systematic and chronological preparation of records on financial transactions with short descriptions, as well as debits and credits that are the application of accrual-based SAP.

Regional Management Information System

According to McLeod & Schell (2008) management information system is a computer-based system that makes information available to users who have needs such as formal organizational entities or subsidiary sub-units. According to Djaja (2009) Regional Management Information System (SIMDA) is an application developed by BPKP where the purpose of this application development is to accelerate the process of local financial management reform. From the above explanation, SIMDA is a programmed application for SAP implementation based on accrual.

Conceptual Framework

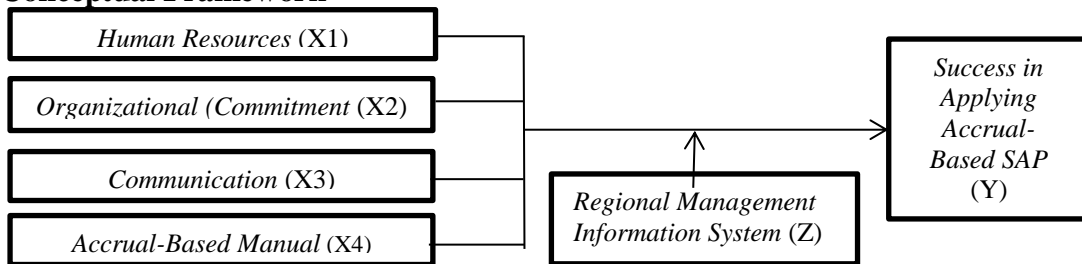


Figure 1. Conceptual Framework

The hypothesis of this research are:

1. Human Resources, Organizational Commitment, Communication, Accrual Based Manual Affects Successful Implementation of Accrual Based SAP to Medan City Government.
2. Regional Management Information System able to moderate the relationship between Human Resources, Organizational Commitment, Communication, and

Accrual Based Manual with Successful Implementation of Accrual Based SAP to Medan City Government.

III. RESEARCH METHODS

The object in this study is the Regional Device Work Unit (SKPD) within the Government of Medan. The study was conducted in the financial section of the Financial Administration Officials (PPK) and SKPD Treasurer who existed in all SKPD within the Government of Medan City which was directly involved with the accrual-based SAP implementation.

Table 1. Operational Definition and Variable Measurement

Variable Name	Operational definition	Indicator	Scaled
Implementation of Accrual Based SAP (Y)	Accrual basis accounting is an accounting basis that acknowledges the effect of transactions and other events at the time the transactions and events occur, regardless of when cash or cash equivalents are received or paid	1. Revenue Recognition, 2. Load recognition, 3. Acknowledgment of Assets, 4. Recognition of Equity, 5. Recognition of Obligations	Interval
Human Resources (X1)	The ability of employees in placement and perform their duties based on educational background, training, understanding of duties, cooperation and avoiding disgraceful acts.	1. Educational background. 2. Understanding the task. 3. Follow the Training 4. Experience	Interval
Organizational Commitment (X2)	Ability to perform tasks, exceeding normal expectations, work loyalty, proud as SKPD employees toward achievement.	1. Ability to perform tasks. 2. Loyalty works.	Interval
Communication (X3)	Communication concerning the process of delivering information, clarity of information and consistency of information submitted.	1. The process of delivering information 2. clarity of information 3. Consistency of information	Interval
Accrual Based Manual (X4)	The accrual-based manual provides an understanding of the accrual-based SAP implementation in support of specific regional government activities, and supports the use of SIMDA.	1. Understanding of Regional financial management 2. Understanding of accrual basis accounting 3. Timeliness of reporting	Interval
Regional Management Information System (Z)	Use of information and communication technology in support of government activities in order to provide services to the public quickly and accurately.	1. Accurate 2. Success 3. Benefit	Interval

Data analysis method

Based on the hypothesis in this research, the data analysis method used is SEM (Structural Equation Modeling) analysis with Bayes Method Estimation on AMOS Software that can be done with small number of samples and not normally distributed but with large number of samples then Bayes estimation method will approach maximum likelihood (Ghozali, 2014).

IV. RESULTS AND DISCUSSION

Test Validity and Reliability

Based on the result of the validity test, all the questions of the dependent variable in this study are valid, for the independent variable of human resources, the communication, the accrual based manual is also all valid but the organizational commitment variable consisting of 6 questions there are 3 invalid questions thus removed and the moderation variable also all valid because the value of each question has a standardized loading factor value expected ≥ 0.5 . Similarly, the reliability test that menyatakan instrument variables in this study reliable because it has a value of Cronbach Alpha > 0.7 which according to criteria Ghozali (2014) can be said reliable.

Classic assumption test

Normality Test Results

Assessment of normality (Group number 1)						
Variable	min	max	skew	c.r.	kurtosis	c.r.
X4	8.000	20.000	-2.338	-10.193	8.256	17.994
X3	6.000	15.000	-2.300	-10.024	7.773	16.941
X2	6.000	15.000	-1.719	-7.492	4.603	10.032
X1	12.000	30.000	-2.405	-10.484	8.133	17.726
Y	18.000	45.000	-2.241	-9.766	7.052	15.370
Multivariate					72.291	46.127

Figure 2. Normality test results

From the known image value c.r. (critical ratio) on the multivariate line is 46.127. Ghozali (2014) states the value of c.r. which is between ± 2.58 means the data is normally distributed. Given the critical ratio value is outside the range ± 2.58 . This means that the assumption of normality is not fulfilled so that to test the hypothesis using Bayes estimation method can be done with small number of samples and not normally distributed.

Multicollinearity Test Results

Correlations: (Group number 1 - Default model)		
		Estimate
X3 <--> X4		.675
X2 <--> X4		.415
X1 <--> X4		.572
X2 <--> X3		.425
X1 <--> X3		.466
X1 <--> X2		.455

Figure 3. Multicollinearity Test Results

It is known that all correlation values (Estimate columns) are below 0.9. Ghozali (2014) stated that the correlation value less than 0.9 indicated no multicollinearity symptoms.

Bayes Method Significance Test Results

Results based on AMOS software using Bayes method. Ghozali (2014) states if in the range of interval lower bound and upper bound contains the number 0, then the influence is not statistically significant.

	Mean	S.E.	S.D.	C.S.	50% Lower bound	50% Upper bound	Name
Regression weights							
Y<--X1	0.431	0.004	0.101	1.001	0.363	0.498	
Y<--X2	0.241	0.006	0.160	1.001	0.139	0.347	
Y<--X3	0.953	0.008	0.213	1.001	0.812	1.093	
Y<--X4	0.787	0.006	0.171	1.001	0.668	0.901	

Figure 4. AMOS Results with Bayes Method (Nonparametric)

Based on Figure 4, it is known that the coefficient value of the line (Mean) of SDM is 0.431, which is positive. This means that human resources have a positive effect on the successful implementation of accrual-based SAP. To know the positive effect is significant or not, then note the value of credible lower boundary interval 0.363 and upper limit 0.498 because it does not contain the number 0 on the credible interval then the influence of human resources on the success of the SAP implementation based on significant accruals. This means that the successful implementation of accrual-based SAP will increase if supported by human resources government apparatus who understand the accounting of the government itself, because in preparing the financial statements should understand and understand the process and implementation of accounting.

The value of the path coefficient (Mean) of organizational commitment is 0.241, which is positive. This means that organizational commitment has a positive effect on the success of the accrual-based SAP implementation. To know the positive effect is significant or not, then consider the value of credible lower boundary interval 0.139 and upper bound 0.347 because it does not contain the number 0 in the credible interval, then the influence of organizational commitment to the success of SAP implementation based on significant accruals. This means organizational commitment is built on the trust of workers, the willingness of workers to help realize organizational goals and loyalty to remain a member of the organization, so have the responsibility, motivated voluntarily carry out financial accountability and its performance can increase the success of the accrual-based SAP implementation achieved.

The value of the path coefficient (Mean) of the communication is 0.953, which is positive. This means that communication has a positive effect on the success of the accrual-based SAP implementation. To know the positive effect is significant or not, then consider the value of credible lower boundary interval 0.812 and upper bound 1.093 because it does not contain the number 0 on the credible interval, then the effect of communication on the success of SAP implementation based on significant accruals. This means that communication is needed in an organization as a tool to interact between individuals and individuals. Communication allows the organizational structure to evolve by facilitating separate individuals to coordinate their activities so as to achieve organizational goals that is the successful application of accrual-based SAP.

The value of the path coefficient (Mean) of the accrual-based manual is 0.787, which is positive. This means that the accrual-based manual has a positive effect on

the success of the accrual-based SAP implementation. To know the positive effect is significant or not, then note the value of credible lower bound interval 0.668 and upper bound 0.901 because it does not contain number 0 on credible interval, hence the influence of accrual based manual to the success of SAP implementation based on accrual significant. Significant influence indicates that the accrual-based manual has an important role in increasing the success of accrual-based SAP implementation. Where accrual-based manuals are the basis of accrual-based SAP implementation, so accrual-based manuals greatly influence successful implementation of SAP-based accruals.

Moderating Test Results with Interaction Approach

The following test results SIMDA in moderating the relationship between human resources, organizational commitment, communication and manual-based accruals with the successful application of accrual-based SAP, with interaction approach.

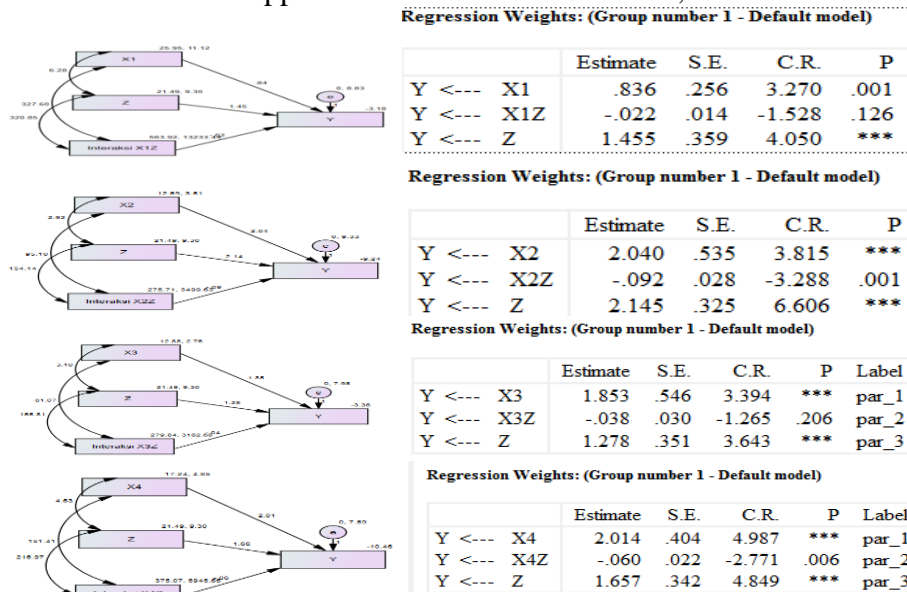


Figure 5. SIMDA Testing in Moderating Relationships between Human Resources, Organizational Commitment , Communication, and Manual based Accrual against Accrual-Based SAP Success

Based on Figure 3, it is known:

1. P value of X1Z is $0.126 > 0.05$, then SIMDA is not significant in moderating the relationship between human resources with the success of SAP Based accruals.
2. P value of X2Z is $0.001 < 0.05$, then SIMDA is significant in moderating the relationship between organizational commitment with the success of SAP Based accruals.
3. P value of X3Z is $0.206 > 0.05$, then SIMDA is not significant in moderating the relationship between Communication with the success of SAP Based accruals.

4. P value of X4Z is $0.006 < 0.05$, then SIMDA is significant in moderating the relationship between accrual-based manuals with the success of SAP-Based accruals.

Coefficient Determination Test Results

The results of the coefficient of determination test can be seen in Figure 2 as follows:

Squared Multiple Correlations: (Group number 1	
	Estimate
Y	.717

Figure 6. The coefficient of determination test results

From the known value of Squared Multiple Correlations is 0.717. This means the influence of human resources, organizational commitment, communication, and manual-based accrual to the successful application of accrual-based SAP of 71.7%, the remaining 28.3% influenced by other factors.

V. CONCLUSIONS, LIMITATIONS AND SUGGESTIONS

Conclusion

Based on the results of data analysis and discussion conducted in the previous chapter, this research resulted some conclusion as follows, human resources, organizational commitment, communication, and manual based on accrual have positive and significant impact to the success of SAP implementation based on accrual at Medan City Government, and regional management information systems are able to moderate the relationship between organizational commitment, accrual based manuals and unable to moderate the relationship between human resources and communication with the successful implementation of accrual-based SAP.

Limitations of Research

Researchers realize there are still limitations of research in this study, among others, this study using questionnaire instruments that answer based on perceptions of respondents' answers, so the possibility of bias or non-conformity with the actual situation and contain elements of subjective and independent variables used only able to explain 71.7% the effect on the success of SAP-based accrual application on the Government of Medan City so that there are possibly other variables that may affect the success of the accrual-based SAP implementation

Suggestion

Based on the conclusions, then the refinements suggested by researchers to employees who are not from the discipline of accounting are placed as KDP and the treasurer of SKPD should be given sufficient briefing on the basics of accounting, and for further research it is expected that observation techniques not only use questionnaires but add techniques such as interviews and observation.

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